REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

PHILIPPINE AIRLINES, INC.,
Petitioner,

- *versus* -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB NO. 2811
(CTA Case No. 10311)

Present:

RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, and
ANGELES, *JJ.*

Promulgated:

NOV 06 2025 4:06 p.m.

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RESOLUTION

ANGELES, J.:

Before the Court is petitioner's **Motion for Reconsideration (Re: Decision dated 24 January 2025)**[1] [Motion for Reconsideration], which was personally[2] and electronically[3] filed on February 14, 2025, together with respondent's **Opposition (Re: Motion for Reconsideration of the Decision dated 24 January 2025)**[4] [Opposition] thereto, personally[5] filed on March 25, 2025, and electronically[6] filed on March 26, 2025.

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[1] *En Banc* (EB) Docket, pp. 143-151.
[2] *Id.* at 143.
[3] *Id.* at 142.
[4] *Id.*, unpaginated.
[5] *Ibid.*
[6] *Ibid.*

On January 24, 2025, the Court *En Banc* rendered a Decision[7] (assailed Decision) denying the *Petition for Review* for failure to persuade the Court that the Court of Tax Appeals (CTA) – Special First Division (Court in Division) committed reversible error in issuing its *Decision*[8] and *Resolution*.[9] Both issuances denied petitioner's claim for refund of excise taxes paid on various importations of alcohol and tobacco products on August 03, 2018. The dispositive portion of the assailed Decision reads:

> "**WHEREFORE**, the instant Petition for Review is **DENIED** for lack of merit. The *Decision dated May 30, 2023* and *Resolution dated October 4, 2023* in CTA Case No. 10311 are **AFFIRMED**.
>
> **SO ORDERED**."

As a preliminary matter, We first resolve the issue of the timeliness of petitioner's *Motion for Reconsideration*.[10] Section 1, Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA) provides:

> SECTION 1. *Who may and when to file motion*. — Any aggrieved party may seek a **reconsideration** or new trial of any decision, resolution or order of the Court. He shall file a **motion for reconsideration** or new trial **within fifteen days from the date he received notice of the decision**, resolution or order **of the Court** in question. (Emphasis supplied)

Records show that petitioner received the assailed Decision[11] on January 30, 2025.[12] Counting fifteen (15) days therefrom, it had until February 14, 2025, to file its Motion. The records likewise confirm that the petitioner personally[13] and electronically[14] filed the instant Motion on said date—well within the prescribed period.

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[7] *Id.* at 115-131. The Decision was penned by Associate Justice Henry S. Angeles, and concurred in by Presiding Justice Roman G. Del Rosario, Associate Justice Catherine T. Manahan, and Associate Justice Maria Rowena Modesto-San Pedro. Associate Justice Ma. Belen M. Ringpis-Liban concurred and dissented, joined by Associate Justice Lanee S. Cui-David, and Associate Justice Corazon G. Ferrer-Flores; see *id.* at 132-137. Associate Justice Jean Marie A. Bacorro-Villena separately concurred; *see id.* at 138-141. Associate Justice Marian Ivy F. Reyes-Fajardo reiterated her Concurring and Dissenting Opinion in the challenged Decision; *see id.* at 77-79.

[8] *Id.* at 52-76. The Decision was penned by Associate Justice Catherine T. Manahan, and concurred in by Presiding Justice Roman G. Del Rosario. Associate Justice Marian Ivy F. Reyes-Fajardo concurred and dissented; see *id.* at 77-79.

[9] *Id.* at 81-89. The Resolution was penned by Associate Justice Catherine T. Manahan, and concurred in by Presiding Justice Roman G. Del Rosario. Associate Justice Marian Ivy F. Reyes-Fajardo reiterated her Concurring and Dissenting Opinion in the assailed Decision; see *id.* at 77-79.

[10] *Supra* note 1.

[11] *Supra* note 7.

[12] EB Docket, p. 114.

[13] *Supra* note 2.

[14] *Supra* note 3.

With the timeliness of the Motion established, We now proceed to resolve its substantive merits.

In its Motion, petitioner seeks reconsideration of the assailed Decision, arguing that the Court *En Banc* erred in concluding that it failed to exert sufficient effort in verifying the availability of local products and the reasonableness of prices from local suppliers. Petitioner concedes that, under Section 13 of Presidential Decree No. 1590,[15] compliance with the third condition is mandatory, *i.e.*, that the imported articles were not available locally in reasonable quantity, quality, or price at the time of importation. However, it asserts that the grounds relied upon by the Court *En Banc* in denying its refund claim effectively imposed additional requirements not found in the law or in petitioner's franchise. In particular, petitioner assails the following findings as unwarranted and beyond the statutory criteria:

> a) The submitted pricelists of [petitioner] do not represent the local market price for the entire country;
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> b) There was no effort on the part of [petitioner] to make an actual purchase that would allow local suppliers to match the price of the imported products;
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> c) No genuine effort to inquire on the possibility of securing prices that were competitive with the price of the imported products;
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> d) Lack of diligent effort on the part of [petitioner] to study the availability of local products and the reasonableness of their prices from other local suppliers; and
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> e) Not all prices of imported products were compared with the prices offered by local suppliers.[16]

Petitioner contends that by introducing what it deems to be new standards, the Court unduly imposed an evidentiary threshold beyond that required under long-standing jurisprudence outlining the requisites for exemption under its franchise. It maintains that the pieces of evidence presented in this case are materially the same as those previously submitted and accepted by the Supreme Court and this Court, in which the submission of one (1) to three (3) price lists was held sufficient to establish that commissary importations were not locally available in reasonable quantity, quality, and price.

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[15] "AN ACT GRANTING A NEW FRANCHISE TO PHILIPPINES AIRLINES, INC. TO ESTABLISH, OPERATE, AND MAINTAIN AIR-TRANSPORT SERVICES IN THE PHILIPPINES AND OTHER COUNTRIES," approved on June 11, 1978.

[16] *Supra* note 1, at 144.

While acknowledging that each case must be resolved on its own merits, petitioner insists that there exists no material distinction between the evidence presented in the cited precedents and those submitted in the present case. It further invokes the doctrine of *stare decisis*, arguing that the Court's departure from settled jurisprudence undermines legal stability and risks inconsistency in future decisions.

On the other hand, respondent, in its *Opposition*, reiterates the salient portions of the assailed Decision,[17] and invokes the oft-repeated rule that the taxpayer-claimant bears the burden of proof in claims for tax refund or credit. It emphasizes that akin to tax exemptions, refund claims partake of the nature of tax privileges and are, therefore, strictly construed against the taxpayer.

After due consideration, the Court *En Banc* finds petitioner's *Motion for Reconsideration* to be without merit.

At the outset, the Court *En Banc* reiterates its ruling denying petitioner's claim for refund of excise taxes paid on its importations of **tobacco** products due to its failure to submit supporting documents to corroborate and verify the testimony of Ms. Cheryl V. Capinpin (Ms. Capinpin), petitioner's Manager for In-flight Materials Purchasing Division. As previously held, the unsubstantiated statements of Ms. Capinpin, standing alone, are insufficient to establish that the subject tobacco articles were not locally available in reasonable quantity, quality, or price at the time of importation.

As to petitioner's claim for refund of excise taxes paid on its importation of **alcohol** products, petitioner primarily argues that the submission of four (4) price lists—sourced from *(1)* Absolute Sales Corporation,[18] *(2)* Future Trade International Travel Retail,[19] *(3)* Mini Van Enterprise,[20] and *(4)* AB Heineken Phils., Inc.[21]—in addition to the Bureau of Internal Revenue's Price List per Revenue Memorandum Circular No. 90-2012,[22] should suffice to prove that the imported alcohol products were not locally available in reasonable quantity, quality, or price. Petitioner anchors this contention on prior Supreme Court rulings wherein the submission of one (1) to three (3) price lists of alcohol products was deemed sufficient to support similar claims.

The Court is not persuaded.

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[17] *Supra* note 7.
[18] Division Docket – Vol. III, pp. 2411 to 2416, Exhibits "P-13" to "P-13a."
[19] *Id.* at 2417-2467, Exhibits "P-13b" to "P-13g."
[20] *Id.* at 2468-2472, Exhibits "P-13h" to "P-13l."
[21] *Id.* at 2473-2477, Exhibits "P-13m" to "P-13n."
[22] *Id.* at 2478-2498, Exhibit "P-14."

Once more, the Court *En Banc* affirms the findings of the Court in Division that the price lists submitted by petitioner cannot be deemed a reliable representation of **prevailing** local market prices. As found, petitioner's purported price survey was devoid of genuine commercial inquiry. It was a mere perfunctory exercise, conducted not with the intent of negotiating or securing competitive quotations from local suppliers, but merely to satisfy documentary formalities rather than offer probative evidentiary value.

As borne out by the records, petitioner's witness, Ms. Capinpin, testified in her judicial affidavit[23] regarding the manner by which she purportedly determined that the imported catering and commissary supplies were more reasonably priced than their local counterparts. However, upon cross-examination,[24] it was revealed that petitioner failed to secure price quotations from other local suppliers offering similar products. This shortcoming prompted the Court in Division to pose clarificatory questions,[25] during which the witness candidly admitted that, in some instances, only informal requests for quotations were made. It also became apparent that petitioner did not undertake any earnest attempt to negotiate prices or pursue actual procurement with domestic suppliers to substantiate its claim of cost advantage.

These circumstances clearly demonstrate petitioner's lack of diligence in exploring the local market and in evaluating the reasonableness of domestic prices. Neither did the testimony of Ms. Capinpin nor the documentary evidence presented suffice to establish that the imported articles were unavailable locally in reasonable quantity, quality, or price at the relevant time. The Court remains unconvinced that petitioner's Table of Comparison or the accompanying price lists reflect prevailing domestic prices for the items in question.

To be sure, the Court in Division did not impose an evidentiary burden beyond what the law requires. It merely sought to determine whether petitioner had sufficiently substantiated its assertion that the imported goods were not available locally in reasonable quantity, quality, or price. Unfortunately, it was through the witness' own declarations that the Court found petitioner's efforts at substantiating local unavailability clearly wanting, to wit:

> Lacking corroborative evidence to prove that the price lists of Absolute Sales Corporation and Future Trade International Travel Retail, Minivan Enterprise, and AB Heineken Phils., Inc., represent

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[23] *Id.*, Vol. II, pp. 1314-1315.
[24] Transcript of Stenographic Notes dated October 19, 2021, pp. 14-20; 25-29.
[25] *Ibid.*

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> the local market prices for the subject alcohol products for the period August 2014 until February 2018 vis-à-vis the totality of local suppliers who are engaged in selling similar products in the same years, this Court cannot conclude that petitioner's comparison of the pricces of its imported alcohol products with that of the said dealers is deemed sufficient. Likewise, considering that RMC No. 90-2012 was based on the 2010 BIR price survey of alcohol products, no valid comparison can be made to the prices of petitioner's imported alcohol products for 2014 to 2018 with that of the said price survey.[26]

Petitioner's invocation of the doctrine of *stare decisis* is equally unavailing. While *stare decisis et non quieta movere*—the principle that courts must "adhere to precedents, and not to unsettle things which are established"—remains a cornerstone of judicial stability and legal predictability, its application is circumscribed by the factual context of each case. As thoroughly articulated in *Ting v. Velez-Ting*,[27] the doctrine mandates adherence to legal doctrines previously established by the Supreme Court in final decisions, not to the specific factual findings or incidental reasoning employed in arriving at such ruling. Thus:

> The principle of *stare decisis* enjoins adherence by lower courts to doctrinal rules established by this Court in its final decisions. It is based on the principle that once a **question of law** has been examined and decided, it should be deemed settled and closed to further argument. Basically, it is a bar to any attempt to relitigate the same issues, necessary for two simple reasons: economy and stability. In our jurisdiction, the principle is entrenched in Article 8 of the Civil Code.
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> This doctrine of adherence to precedents or *stare decisis* was applied by the English courts and was later adopted by the United States. Associate Justice (now Chief Justice) Reynato S. Puno's discussion on the historical development of this legal principle in his dissenting opinion in *Lambino v. Commission on Elections* is enlightening:
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>> The latin phrase *stare decisis et non quieta movere* means "stand by the thing and do not disturb the calm." The doctrine started with the English Courts. Blackstone observed that at the beginning of the 18th century, "it is an established rule to abide by former precedents where the same points come again in litigation." As the rule evolved, early limits to its application were recognized: (1) it would not be followed if it were "plainly unreasonable"; (2) where courts of equal authority developed conflicting decisions; and, (3) **the binding force of the decision was the "actual principle or principles necessary for the decision; not the words or reasoning used to reach the decision."**

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[26] *Supra* note 8, at 74.
[27] G.R. No. 166562, March 31, 2009 [Per J. Nachura, Third Division].

The doctrine migrated to the United States. It was recognized by the framers of the U.S. Constitution. According to Hamilton, "strict rules and precedents" are necessary to prevent "arbitrary discretion in the courts." Madison agreed but stressed that "... once the precedent ventures into the realm of altering or repealing the law, it should be rejected." Prof. Consovoy well noted that Hamilton and Madison "disagree about the countervailing policy considerations that would allow a judge to abandon a precedent." He added that their ideas "reveal a deep internal conflict between the concreteness required by the rule of law and the flexibility demanded in error correction. It is this internal conflict that the Supreme Court has attempted to deal with for over two centuries."

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In general, courts follow the *stare decisis* rule for an ensemble of reasons, *viz.*: (1) it legitimizes judicial institutions; (2) it promotes judicial economy; and, (3) it allows for predictability. Contrariwise, courts refuse to be bound by the *stare decisis* rule where (1) its application perpetuates illegitimate and unconstitutional holdings; (2) it cannot accommodate changing social and political understandings; (3) it leaves the power to overturn bad constitutional law solely in the hands of Congress; and, (4) activist judges can dictate the policy for future courts while judges that respect *stare decisis* are stuck agreeing with them.

In its 200-year history, the U.S. Supreme Court has refused to follow the *stare decisis* rule and reversed its decisions in 192 cases. The most famous of these reversals is *Brown v. Board of Education* which junked *Plessy v. Ferguson's* "separate but equal doctrine". Plessy upheld as constitutional a state law requirement that races be segregated on public transportation. In *Brown,* the U.S. Supreme Court, unanimously held that "separate . . . is inherently unequal". Thus, by freeing itself from the shackles of *stare decisis,* the U.S. Supreme Court freed the colored Americans from the chains of inequality. In the Philippine setting, this Court has likewise refused to be straitjacketed by the *stare decisis* rule in order to promote public welfare. In *La Bugal-B'laan Tribal Association, Inc. v. Ramos,* we reversed our original ruling that certain provisions of the Mining Law are unconstitutional. Similarly, in *Secretary of Justice v. Lantion,* we overturned our first ruling and held, on motion for reconsideration, that a private respondent is bereft of the right to notice and hearing during the evaluation stage of the extradition process.

> An examination of decisions on *stare decisis* in major countries will show that courts are agreed on the factors that should be considered before overturning prior rulings. These are workability, reliance, intervening developments in the law and changes in fact. In addition, courts put in the balance the following determinants: closeness of the voting, age of the prior decision and its merits
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> The leading case in deciding whether a court should follow the *stare decisis* rule in constitutional litigations is *Planned Parenthood v. Casey*. It established a 4-pronged test. The court should (1) determine whether the rule has proved to be intolerable simply in defying practical workability; (2) consider whether the rule is subject to a kind of reliance that would lend a special hardship to the consequences of overruling and add inequity to the cost of repudiation; (3) determine whether related principles of law have so far developed as to have the old rule no more than a remnant of an abandoned doctrine; and, (4) **find out whether facts have so changed or come to be seen differently**, as to have robbed the old rule of significant application or justification. (Emphasis supplied; citations omitted)

Indeed, *stare decisis* is a rule of law, not a rule of fact. As reaffirmed in *Confederation of Sugar Producers Association, Inc. v. Department of Agrarian Reform*,[28] it is the legal principle enunciated by the Supreme Court that binds future decisions involving substantially similar facts—not the judgment itself, nor the evidence from which the judgment was rendered. Hence, while legal conclusions reached in earlier cases may guide the resolution of later controversies, they are not automatically controlling where the factual milieu materially differs. Simply put, *stare decisis* binds courts only to legal doctrines, not to factual determinations unique to individual cases.

> Under the doctrine, when the Supreme Court has once laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same; regardless of whether the parties and property are the same. **The doctrine of *stare decisis* is based upon the legal principle or rule involved and not upon the judgment which results therefrom.** In this particular sense *stare decisis* differs from *res judicata* which is based upon the judgment. (Emphasis supplied; citations omitted)

In *Negros Navigation Co., Inc. v. Court of Appeals*,[29] the Supreme Court applied the doctrinal principle in *Mecenas v. Intermediate*

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[28] G.R. No. 169514, March 30, 2007 [Per J. Callejo, Sr., *En Banc*].
[29] G.R. No. 110398, November 07, 1997 [Per J. Mendoza, Second Division].

Appellate Court[30] in holding the carrier liable for its failure to observe the extraordinary diligence required in the transportation of passengers. While the Supreme Court found that there could only be one truth regarding the cause of the vessel's sinking and the carrier's consequent liability, it declined to apply the principle of *stare decisis* in determining the award of damages. The variance was justified by the unique circumstances of the victims, the particularities of the pleadings, the nature of the evidence adduced, and the conduct of the trial. Thus:

> Petitioner criticizes the lower court's reliance on the *Mecenas* case, arguing that, although this case arose out of the same incident as that involved in *Mecenas*, the parties are different and trial was conducted separately. Petitioner contends that the decision in this case should be based on the allegations and defenses pleaded and evidence adduced in it or, in short, on the record of this case.
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> The contention is without merit. **What petitioner contends may be true with respect to the merits of the individual claims against petitioner but not as to the cause of the sinking of its ship on April 22, 1980 and its liability for such accident, of which there can only be one truth.** Otherwise, one would be subscribing to the sophistry: truth on one side of the Pyrenees, falsehood on the other!
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> Adherence to the *Mecenas* case is dictated by this Court's policy of maintaining stability in jurisprudence in accordance with the legal maxim "*stare decisis et non quieta movere*" (Follow past precedents and do not disturb what has been settled.) Where, as in this case, the same questions relating to the same event have been put forward by parties similarly situated as in a previous case litigated and decided by a competent court, the rule of stare decisis is a bar to any attempt to relitigate the same issue. In *Woulfe v. Associated Realties Corporation*, the Supreme Court of New Jersey held that where substantially similar cases to the pending case were presented and applicable principles declared in prior decisions, the court was bound by the principle of *stare decisis*. Similarly, in *State ex rel. Tollinger vs. Gill*, it was held that under the doctrine of *stare decisis* a ruling is final even as to parties who are strangers to the original proceeding and not bound by the judgment under the *res judicata* doctrine. The Philadelphia court expressed itself in this wise: "*Stare decisis* simply declares that, for the sake of certainty, a conclusion reached in one case should be applied to those which follow, if the facts are substantially the same, even though the parties may be different." Thus, in *J. M. Tuason v. Mariano, supra*, this Court relied on its rulings in other cases involving different parties in sustaining the validity of a land title on the principle of "*stare decisis et non quieta movere.*"
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> *Fourth.* Petitioner contends that, assuming that the *Mecenas* case applies, private respondents should be allowed to claim only

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[30] G.R. No. 88052, December 14, 1989 [Per J. Feliciano, Third Division].

> P43,857.14 each as moral damages because in the *Mecenas* case, the amount of P307,500.00 was awarded to the seven children of the Mecenas couple. Under petitioner's formula, Ramon Miranda should receive P43,857.14, while the De la Victoria spouses should receive P97,714.28.
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> **Here is where the principle of *stare decisis* does not apply in view of differences in the personal circumstances of the victims.** For that matter, differentiation would be justified even if private respondents had joined the private respondents in the *Mecenas* case. **The doctrine of *stare decisis* works as a bar only against issues litigated in a previous case. Where the issue involved was not raised nor presented to the court and not passed upon by the court in the previous case, the decision in the previous case is not *stare decisis* of the question presently presented.** The decision in the *Mecenas* case relates to damages for which petitioner was liable to the claimants in that case. (Emphasis supplied; citations omitted)

In a similar vein, the Supreme Court, in *Hacienda Bino v. Cuenca*[31] (*Hacienda Bino*), sustained the Court of Appeals' ruling that respondent workers were regular employees, and refused to apply its earlier decision in *Mercado, Sr. v. National Labor Relations Commission*[32] which held that sugar workers are seasonal employees. The Court emphasized that the application of *stare decisis* presupposes a substantial identity of facts. In *Hacienda Bino*, the factual context differed significantly—as evidenced by the considerably larger area of the sugar plantation and the continuous nature of the respondent's employment. Thus, the Supreme Court did not abandon the doctrine that sugar workers may be deemed regular employees; rather, it carefully distinguished the prior ruling based on the material different facts of the case. As further clarified by the Supreme Court:

> Under the doctrine of *stare decisis*, when a court has laid down a principle of law as applicable to a certain state of facts, it will adhere to that principle and apply it to all future cases in which the facts are substantially the same. **Where the facts are essentially different, however, *stare decisis* does not apply, for a perfectly sound principle as applied to one set of facts might be entirely inappropriate when a factual variance is introduced.**
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> The CA correctly found that the facts involved in this case are different from the *Mercado* case; therefore, the ruling in that case cannot be applied to the case at bar, thus:
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>> We do not find the concept of *stare decisis* relevant in the case at bench. **For although in the Mercado case, the Supreme Court held the**

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[31] G.R. No. 150478, April 15, 2005 [Per J. Callejo, Sr., Second Division].
[32] G.R. No. 79869, September 05, 1991 [Per J. Padilla, Second Division].

> **petitioners who were sugar workers not to be regular but seasonal workers, nevertheless, the same does not operate to abandon the settled doctrine of the High Court that sugar workers are considered regular and permanent farm workers of a sugar plantation owner, <u>the reason being that there are facts present that are peculiar to the Mercado case</u>.** The disparity in facts between the Mercado case and the instant case is best exemplified by the fact that the former decision ruled on the status of employment of farm laborers, who, as found by the labor arbiter, work only for a definite period for a farm worker, after which they offer their services to other farm owners, considering the area in question being comparatively small, comprising of seventeen and a half (17 1/2) hectares of land, such that the planting of rice and sugar cane thereon could not possibly entail a whole year operation. The herein case presents a different factual condition as the enormity of the size of the sugar hacienda of petitioner, with an area of two hundred thirty-six (236) hectares, simply do not allow for private respondents to render work only for a definite period. (Emphasis and underscoring supplied; citations omitted)

This principle—that precedent applies only when the facts are substantially the same—finds further support in *Republic v. Pilipinas Shell Petroleum Corp.*[33] (*Republic*). In that case, the Court did not extend the ruling in *Pilipinas Shell Petroleum Corporation v. Commissioner of Internal Revenue*[34] (*Pilipinas Shell*) to the pending controversy involving tax credit certificates (TCCs), absent a full trial on the status of the transferee. In *Pilipinas Shell*, it was judicially determined that Pilipinas Shell was a transferee in good faith and for value. However, in *Republic*, such status had yet to be established. Notably, the Supreme Court emphasized that the determination of whether petitioner was a transferee in good faith, or whether it had knowledge of the alleged fraud in the issuance and transfer of the TCCs, could only be made after trial. Thus, the doctrine of *stare decisis* could not be invoked to foreclose judicial inquiry into the specific facts and defenses raised, *viz.*:

> The RTC and CA both ruled that *Pilipinas Shell Petroleum Corporation v. CIR* applies to the present case, stating that the legal issues have already been settled by this Court such as the ineffective cancellation by the Center of TCCs which have been fully utilized by the importer/taxpayer and the sole responsibility under the Liability Clause in the TCC of the original grantee for its fraudulent issuance by the Center.

[33] G.R. No. 209324, December 09, 2015 [Per J. Villarama, Jr., Third Division].
[34] G.R. No. 172598, December 21, 2007 [Per J. Velasco, Second Division].

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> We disagree.
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> *Pilipinas Shell Petroleum Corporation v. CIR* involved TCCs used by PSPC that were also cancelled for alleged fraud in their issuance and transfer. However, in the said case, there was a finding, on the basis of evidence presented before the CTA, that PSPC is a transferee in good faith and for value and that no evidence was adduced that it participated in any way in the issuance of the TCCs to the corporations who in turn conveyed the same to PSPC.
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> **PSPC's status as transferee in good faith of the TCCs assigned to it by FWI is yet to be established or proven at the trial.** In fact, this Court in upholding the jurisdiction of the RTC directed it to proceed with the pre-trial and trial proper. Petitioner should be given the opportunity to substantiate its allegations of fraud in the issuance and transfer of the TCCs which PSPC used to pay for the customs duties and taxes due on its oil importations. **Whether *Pilipinas Shell Petroleum Corporation v. CIR* applies squarely to the present case may be determined only after such trial.** If it is shown that PSPC was a party to the fraud as when it did not obtain the TCC for value or has knowledge of its fraudulent issuance, it will be liable for the taxes and for the fraud committed as provided for by law. (Emphasis supplied; citations omitted)

In sum, the above-cited cases clearly illustrate that the binding force of jurisprudence lies not in the judgment *per se*, but in the legal principles enunciated therein, and that such principles may be applied only when the factual context so warrants. The doctrine of *stare decisis* demands fidelity to established rules of law, not blind conformity to doctrines predicated upon materially different factual circumstances.

The Court is not unmindful of prior rulings of the Supreme Court granting petitioner's other refund claims. However, We cannot turn a blind eye to the peculiarities of the facts established during the trial of this case. Jurisprudence cannot be indiscriminately applied merely because the same, or nearly the same, pieces of evidence were presented.

Verily, while the Court recognizes the guiding principle that refund claims—such as in the present case—may be granted for imported goods upon proof that such goods are not locally available in reasonable quantity, quality, or price, among other statutory requisites, it remains incumbent upon the Court to ascertain whether the evidentiary threshold has been met based on the case's own merits. This determination must rest on the Court's independent assessment of the testimonial and documentary evidence properly submitted into the record. To do otherwise would be to abdicate judicial discretion in favor of mechanical conformity—something the doctrine of *stare decisis* neither requires nor permits.

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As extensively discussed in the *Decision*[35] and the *Resolution*[36] of the Court in Division, and echoed in the assailed Decision,[37] petitioner failed to establish, through competent and persuasive evidence, compliance with the statutory requirements for refund. It bears reiterating that the records show petitioner merely conducted perfunctory inquiries from local suppliers, devoid of any genuine or earnest attempt to obtain competitive quotations or to substantiate the unavailability of local substitutes. This deficiency is further underscored by the fact that only forty-five (45) out of the eighty (80) alcohol product entries were subjected to price comparison with local counterparts[38]—thereby undermining petitioner's sweeping assertion of local unavailability.

Given these lapses, the Court *En Banc* finds no error in the conclusions reached by the Court in Division, which had the distinct advantage of observing first-hand the manner in which the pieces of evidence were presented and evaluated during trial.

Time and again, the Supreme Court has held that the taxpayer-claimant has the burden of proving the legal and factual bases of its claim for tax credit or refund. After all, tax refunds partake the nature of exemption from taxation, and as such, must be looked upon with disfavor. It is regarded as in derogation of the sovereign authority, and should be construed in *strictissimi juris* against the person or entity claiming the exemption. The taxpayer who claims for exemption must justify his claim by the clearest grant of organic or statute law and should not be permitted to stand on vague implications. The burden of proof rests upon the taxpayer to establish by sufficient and competent evidence its entitlement to a claim for refund.[39]

In fine, there being no new matter or substantial issue raised by petitioner in its *Motion for Reconsideration*, the Court *En Banc* finds no compelling reason to reverse or modify the assailed Decision.

Furthermore, Section 3, Rule 2 of the RRCTA states that the presence at the deliberation and the affirmative vote of at least five (5) members of the Court *En Banc* are indispensable to reverse a decision of a Division. Where the necessary majority vote cannot be obtained in appealed cases, the judgment or order appealed from shall stand affirmed. The Rule explicitly provides:

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[35] *Supra* note 8.
[36] *Supra* note 9.
[37] *Supra* note 7.
[38] Division Docket – Vol. III, pp. 2411 to 2416, Exhibits "P-13" to "P-13a."
[39] *Commissioner of Internal Revenue v. Filminera Resources Corp.*, G.R. No. 236325, September 16, 2020 [Per J. Lopez, First Division].

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> SEC 3. *Court en banc; quorum and voting.* — The presiding justice or, if absent, the most senior justice in attendance shall preside over the sessions of the Court *en banc*. The attendance of five (5) justices of the Court shall constitute a quorum for its session *en banc*. The presence at the deliberation and the affirmative vote of five (5) members of the Court *en banc* shall be necessary to reverse a Decision of a Division x x x **Where the necessary majority vote cannot be had**, the petition shall be dismissed; **in appealed cases, the judgment or order appealed form shall stand affirmed**; and on all incidental matters, the petition or motion shall be denied. (Emphasis and underscoring supplied)

In the deliberation of the instant case, only Associate Justice Catherine T. Manahan, Associate Justice Jean Marie A. Bacorro-Villena, and Associate Justice Maria Rowena Modesto-San Pedro concurred with the *ponente* that the assailed Decision of the Court *En Banc* should not be reversed and set aside.

WHEREFORE, considering that the required affirmative votes of at least five (5) members of the Court *En Banc* were not obtained in this case, and pursuant to Section 2 of Republic Act (R.A.) No. 1125, as amended by R.A. No. 9503, in relation to Section 3, Rule 2 of the RRCTA, petitioner's *Motion for Reconsideration (Re: Decision dated 24 January 2025)* is hereby **DENIED** for lack of merit. The assailed Decision is, accordingly, **AFFIRMED.**

SO ORDERED.

HENRY S. ANGELES
Associate Justice

We Concur:

(I reiterate my CDO)
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

Marian Ivy F. Reyes-Fajardo
(W/ due respect, I reiterate my CDO in the Decision in CTA Case No. 10311)
MARIAN IVY F. REYES-FAJARDO
Associate Justice

(With due respect, I reiterate joining J. MBRL's CDO)
LANEE S. CUI-DAVID
Associate Justice

(With due respect, I reiterate my joining Justice Liban in her Concurring and Dissenting Opinion in the assailed Decision)
CORAZON G. FERRER-FLORES
Associate Justice